

AMENDED IN SENATE JUNE 4, 1997

AMENDED IN SENATE MAY 19, 1997

SENATE BILL

No. 28

Introduced by Senator Maddy

December 2, 1996

An act to amend Sections 19535, 19607, and 19607.1 of the Business and Professions Code, relating to horseracing.

LEGISLATIVE COUNSEL'S DIGEST

SB 28, as amended, Maddy. Horseracing: stabling and vanning.

(1) Under existing law, at the time the California Horse Racing Board allocates racing weeks, the board is required to determine the number of usable stalls that each association or fair shall make available and maintain in order to conduct the racing meeting.

This bill would eliminate the duty of the board to make that determination, and would instead require the association or fair to indicate in its application the number of stalls that the association or fair will make available and maintain in order to conduct the racing meeting.

(2) Existing law requires an association or fair conducting a racing meeting in the northern zone to provide all stabling required by the board without cost to participating horsemen and horsewomen. Existing law also requires the organization representing the horsemen and horsewomen participating at the meeting and the association or fair to mutually agree on the criteria and selection of horses that may use stalls. With

respect to racing meetings conducted in the central or southern zones, existing law requires all costs associated with the maintenance of the usable stalls for the racing meeting to be borne by the association or fair conducting the meeting, and, with respect to usable stalls at an offsite location, the association or fair may be required, by order of the board, to bear the costs of vanning from the offsite location to the racing meeting. Existing law also requires a certain percentage of the total amount handled at satellite wagering facilities to be used for reimbursement for any costs of offsite stabling and vanning.

This bill would instead require an association, fair, or board-approved offsite stabling facility to be reimbursed on a pro rata basis from the funds from satellite wagering dedicated to that purpose. The bill would also remove the requirement that the organization representing the horsemen and horsewomen participating at the meeting and the association or fair mutually agree on the criteria and selection of horses that may use stalls.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 19535 of the Business and
2 Professions Code is amended to read:
3 19535. (a) Notwithstanding any other provision of
4 law, each association or fair in its application for a license
5 to conduct a racing meeting shall indicate the number of
6 usable stalls that the association or fair shall make
7 available and maintain in order to conduct the racing
8 meeting. The stalls may be at the site of the racing
9 meeting or at board-approved offsite locations.
10 (b) The association or fair conducting the racing
11 meeting shall provide all stabling pursuant to subdivision
12 (a) without cost to participating horsemen *and*
13 *horsewomen*. Offsite stabling shall be at a ~~board-approved~~
14 *board-approved* facility or facilities selected by the
15 association or fair, with the agreement of the organization
16 representing horsemen *and horsewomen* participating at

1 the meeting. If there is a disagreement between the
2 association or fair and the organization representing the
3 majority of horsemen *and horsewomen* participating at
4 the meeting with respect to the selection of offsite
5 stabling facilities, the board, at the request of the
6 association or fair or the organization representing the
7 majority of horsemen *and horsewomen* participating at
8 the meeting, shall promptly determine the
9 board-approved facility or facilities at which offsite
10 stabling shall be made available. The association or fair
11 shall also provide, at the option of the horse owner,
12 vanning of participating racehorses from any
13 board-approved offsite stabling facility.

14 (c) Notwithstanding any other provision of law,
15 associations, fairs, and board-approved offsite stabling
16 facilities shall be reimbursed for the actual cost of
17 providing stabling pursuant to subdivisions (a) and (b),
18 as follows:

19 (1) With respect to racing meetings conducted in the
20 northern zone, from the funds made available for stabling
21 and vanning pursuant to Section 19605.7, an association,
22 fair, or board-approved offsite stabling facility shall be
23 reimbursed on a pro rata basis for each time that a horse
24 stabled at the facility starts at a northern zone association
25 or fair racing meeting. The funds shall also be used to
26 reimburse horsemen and horsewomen for the actual cost
27 of vanning starting horses from a board-approved
28 stabling facility, in accordance with Section 19605.7.

29 (2) With respect to racing meetings conducted in the
30 central and southern zones, from the funds made
31 available for stabling and vanning pursuant to Section
32 19607, an association, fair, or board-approved offsite
33 stabling facility shall be reimbursed on a pro rata basis for
34 each time that a horse stabled at the facility starts at a
35 central or southern zone association or fair racing
36 meeting. The funds shall also be used to reimburse
37 horsemen and horsewomen for the actual cost of vanning
38 starting horses from a board-approved stabling facility, in
39 accordance with Sections 19607 and 19607.1.

1 SEC. 2. Section 19607 of the Business and Professions
2 Code is amended to read:

3 19607. Notwithstanding Sections 19605.8 and 19605.9,
4 when satellite wagering is conducted on thoroughbred
5 races at associations or fairs in the central or southern
6 zone, an amount not to exceed 1.25 percent of the total
7 amount handled by all of those satellite wagering
8 facilities; shall be deducted from the funds otherwise
9 allocated for distribution as commissions, purses, and
10 owners' premiums and instead distributed to an
11 organization formed and operated by thoroughbred
12 racing associations, fairs conducting thoroughbred
13 racing, and the organization representing thoroughbred
14 horsemen *and horsewomen*, with each party having
15 meaningful representation on the board of the
16 organization, to administer, pursuant to supervision of
17 the board, a fund to provide reimbursement for stabling
18 at the site of the racing meeting or at *the* board-approved
19 ~~offsite training facilities of licensed racing associations for~~
20 ~~stalls~~ *the offsite training facilities for stalls that the*
21 association or fair is required to make available and
22 maintain pursuant to Section 19535, and for the vanning
23 of starters from these stalls on racing days for
24 thoroughbred horses.

25 SEC. 3. Section 19607.1 of the Business and
26 Professions Code is amended to read:

27 19607.1. (a) The funds distributed to the
28 organization formed pursuant to Section 19607 shall be
29 used to reimburse racing associations, fairs, or
30 board-approved offsite training facilities that are
31 operating stabling facilities for the costs directly resulting
32 from providing the stabling in accordance with Section
33 19535. Neither the organization administering the offsite
34 stabling and vanning program nor any of the entities
35 forming and operating the organization, except the entity
36 operating the offsite stabling facility where the injury
37 occurred, shall be liable for any injury to any jockey,
38 exercise person, owner, trainer, or any employee or agent
39 thereof, or any horse occurring at any offsite stabling
40 facility.

1 (b) The funds shall also be used to reimburse
2 horsemen and horsewomen for the cost of vanning
3 starting horses from a board-approved offsite training
4 facility to the track conducting the racing meeting in
5 accordance with Section 19535. Horsemen and
6 horsewomen may use carriers of their own choice, except
7 that the amount of reimbursement to them is limited to
8 the amount that the organization determines is generally
9 charged by carriers for vanning from the offsite training
10 facility to the track conducting the racing meeting.
11 Neither the organization administering the offsite
12 stabling and vanning program nor any of the entities
13 forming and operating the organization, except the entity
14 actually engaged in vanning horses, is liable for any injury
15 occurring to any individual or horse during vanning from
16 a board-approved offsite stabling facility.

17 (c) The training facilities and amenities provided for
18 board-approved offsite stabling and training purposes
19 shall be equivalent in character to those provided during
20 racing meetings of the association or fair.

21 (d) Upon the request of any party within the
22 organization, the board shall adjudicate any dispute
23 regarding costs, or other matters relating to the
24 furnishing of stabling or vanning. The board may, if
25 necessary, appoint an independent auditor to assist in the
26 resolution of disputes. The auditor shall be reimbursed
27 from the funds of the organization.

28 (e) The organization may maintain a reserve fund of
29 up to 10 percent of the total estimated annual vanning
30 and stabling costs. In addition to the reserve fund, if the
31 funds generated for stabling and vanning are insufficient
32 to fully reimburse racing associations and fairs for
33 expenses incurred during the vanning and stabling
34 program, the organization may accumulate sufficient
35 funds to fully reimburse those associations and fairs for
36 those expenses.

37 (f) The amount initially deducted and distributed to
38 the organization shall be 1.25 percent of the total amount
39 handled by satellite wagering facilities authorized under
40 this article in the central or southern zone on

1 thoroughbred racing, but that allocation may be adjusted
2 by the board, in its discretion. However, the adjusted
3 amount may not exceed 1.25 percent of the total amount
4 handled by satellite wagering facilities, to pay expenses
5 and maintain the reserve fund for the continuing support
6 of the program.

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